

# Department of Veterans Affairs

# Memorandum

**Date:** February 24, 2014

**From:** Assistant Inspector General for Audits and Evaluations (52)

**Subj:** Request Close-out, Hotline Referral (2014-01879-HL-0356) Alleged claims that are 2-3 years old are being processed as if they are 2-3 months old in order to improve performance statistics by management at VA Regional Office (VARO), Seattle, WA.

**To:** For the Record

**We request the close-out of the subject Hotline referral. The Office of Audits and Evaluations (OAE) was unable to substantiate the allegations. On February 13, 2014, OAE accepted the subject referral and assigned it to our San Diego Inspections Division. We interviewed the Director of Compensation Service on February 18, 2014.**

The complainant alleges claims that are 2-3 years olds are being processed as if they are 2-3 months old and therefore not receiving a fair determination. The complainant indicates that VARO leadership instructed staff to establish new end products (EPs) on these old claims and once changed to a new EP, the claims will be reflected as 2-3 months old and not 2-years old or older. The implication is establishment of new claims will misrepresent VBA metrics related to claims processing timeliness and the number of claims pending in VBA's inventory of disability claims.

The Veterans Benefits Administration's (VBA) policy, VBA Letter 20-13-05, *Guidance Regarding Special Initiative to Process Claims Pending Over Two Years*, provides the following instructions for processing provisional rating decisions:

- Upon promulgation of a provisional decision, clear the controlling EP.
- If the claimant submits additional evidence or VA receives previously requested records within the one-year time period which allows a final decision to be made, VA will establish a new EP with a special issue "OCR – second review," clear the diary, PCLR EP 400 if pending, and take the appropriate adjudicative actions.

Based on this guidance, the allegations regarding this hotline are not "illegal" and are conforming to the guidance related to processing claims pending over 2 years old. Further, the Director of Compensation Service informed us during an interview on February 18, 2014, that VARO staff have been instructed to process claims according to the current national workload management plan. Although these instructions might seem "unfair", workload management decisions are a responsibility of VBA leadership.

The VA-OIG Benefits Inspection Division is conducting a special review of VBA's Special Initiative to Process Claims Pending Over 2 years. We will address the issue of

misrepresenting claims processing timelines and the inventory of disability claims processing inventory in a separate report.

As a result, we did not identify any evidence that would suggest VARO leadership inappropriately or illegally instructed VARO staff to process claims pending over 2 years old.

OAE did not find data or testimonial support to give credence to the allegation.

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